GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2873
ANSWERED ON:02.08.2002
SHORTFALL IN EXCISE DUTY
SHEESH RAM SINGH RAVI

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that there has been shortfall in the Central Excise duties realisation during the year 1996-97 to 2000-2001 between Rs.1893 crore and Rs.4637 crore;

(b) if so, the reasons for the shortfall; and

(c) the measures taken to tone up the commissionerates to realise full taxes as due from the assessees?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) Yes Sir, the shortfall in the Central Excise duties realisation over budget estimate during the year 1996-97 to 2000-2001 ranged between Rs.1875 crore and Rs.4444 crore;

(b) Factors attributable to shortfall in revenue collection include sluggishness in industrial production in certain years in certain critical sectors of the economy and moderately low rate of inflation. The SSI excise duty exemption limit was also increased from Rs. 30lakhs to 50 lakhs in 1998 and then to Rs. one crore in 2000.

(c) The Government has taken a number of measures from time to time to improve tax realizations. These include rationalization of tariff structure, review and withdrawal of tax exemptions wherever necessary, simplification of tax collection procedures to improve tax compliance, etc.